China, People's Republic of: Hunan Technical and Vocational Education and Training Demonstration Project

Project Name: Hunan Technical and Vocational Education and Training Demonstration Project

Project Number: 45511-006

Country: China, People's Republic of

Project Status: Active

Project Type / Modality of Assistance: Loan

Source of Funding / Amount: Loan 3010-PRC: Hunan Technical and Vocational Education and Training Demonstration Project

Ordinary capital resources

US$ 50.00 million

Strategic Agendas

Inclusive economic growth

Drivers of Change

Governance and capacity development

Sector / Subsector

Education - Technical and vocational education and training

Gender Equity and Mainstreaming

Effective gender mainstreaming

Description

The project will provide targeted support to 13 public TVET institutions in Hunan to strengthen the capability to deliver demand-driven quality programs related to priority industries. The project will build the capacity of IAGs and foster partnerships between 13 project TVET institutions and employers to jointly develop the skills needed in the workplace, and prepare graduates who are able to adjust to changing demands in the labor market quickly; modernize the curriculum by developing competency-based curriculum (CBC) in priority areas; upgrade the instructional capacity of vocational instructors and build TVET management capacity; strengthen market-oriented program planning through improved labor market information system (LMIS); and upgrade equipment and facilities in selected TVET institutions.

Strategic fit. The project is the first Asian Development Bank (ADB)-financed lending project for TVET in the PRC and is envisaged to play a demonstration role for TVET development in the country. Because lack of worker skills and education are viewed as a constraint to the PRC’s inclusive growth, ADB involvement in the TVET sector is strongly justified. The project supports ADB’s education policy and education sector strategies and Strategy 2020. It aligns with ADB’s PRC country partnership strategy, 2011-2015 and supports the PRC’s 12th Five-Year Plan, which prioritizes developing high-quality human resources, increasing scientific and technological innovations, and accelerating educational reform. The project has the following demonstration features for replication in other provinces and autonomous regions of the PRC:

(i) Enhancing industry involvement. The project will strengthen partnerships between TVET institutions and industries, and build the capacity of sector-specific IAGs in the priority sectors.

(ii) Promoting inclusive technical and vocational education and training through information and communication technology. The project will broaden access for students from remote areas by developing online TVET courses, and thus foster sharing of teaching and learning resources among well-developed TVET institutions in urban areas and less-developed TVET institutions in poor and remote areas to benefit students in project and non-project TVET institutions.

(iii) Greening technical and vocational education and training provision. The project will contribute to the Government of the PRC’s objectives of developing an environmentally sustainable and energy-efficient society under its 12th Five-Year Plan by designing, constructing, and maintaining teaching and learning buildings that reduce energy and water use, and promoting sustainable practices such as reducing, reusing, and recycling resources; encouraging the selection of training equipment with low energy consumption; and skills mapping to identify skills needed for environmentally sustainable development in Hunan.

Incorporation of the lessons learned. Lessons from activities in skills training supported by ADB and the World Bank were incorporated into the project design. Lessons include (i) actively involving representatives of industries and IAGs in identifying occupational areas that are in demand, developing competencies for market-demanded occupational areas, and working with the project TVET institutions to develop modular, CBC and learning materials; (ii) conducting tracer studies of the trainees, and strengthening the capacity of the relevant government agencies and the TVET institutions to analyze labor market demand; and (iii) establishing a project benefit monitoring and evaluation system.
Skilled human resources contribute to inclusive growth and social development in Hunan province

Since the project effectiveness in November 2013, PMO has undertaken significant work in start-up activities but the implementation progress has

Strengthened capacity of the TVET system to meet labor market needs

1. Improved quality and relevance of TVET system
2. Upgraded facilities and learning environments
3. Strengthened industry involvement in TVET
4. Project management support established

Package B: International TVET partnership commenced in Q4 2017. For, Package C: 3 Research, the contract was signed on April 17, 2017 and it is

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The government's key priorities include restructuring the economy from production and export to consumption-oriented growth, from low to higher value-added industries, and supporting rapid urbanization and environmentally sustainable social and inclusive development all of which require significant investments in human capital. Strengthening human resources through the development of TVET is one of the key priorities under the 12th Five-Year Plan.

The PRC is experiencing skill and labor shortages. National labor market data from 91 cities in 2012 showed that demand exceeded supply in almost all technical and skilled categories. The PRC’s comparative advantage in low-skilled labor-intensive production is expected to decline, with the economy shifting to more skill-intensive products and production technologies. The Government of the PRC is increasingly emphasizing the value of highly skilled human capital. In 2010, the central government identified TVET as the key target for educational expansion to develop a skilled work force, and approved the National Long-Term Strategy on Education, 2010-2020. The education plan sets up goals and reforms to

The PRC is one of the fastest growing economies, with an average annual growth rate of over 9.0% since the 1980s. The government’s 12th Five-Year Plan, 2011-2015, targets annual gross domestic product (GDP) growth of 7.5%. Despite impressive growth, the PRC is facing a number of urgent development challenges. The government’s key priorities include restructuring the economy from production and export to consumption-oriented growth, from low to higher value-added industries, and supporting rapid urbanization and environmentally sustainable social and inclusive development all of which require significant investments in human capital. Strengthening human resources through the development of TVET is one of the key priorities under the 12th Five-Year Plan.

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The structure of Hunan’s economy is undergoing fundamental transformation. The Government of the PRC’s policy of geographical rebalancing of economic growth toward inland provinces has led to Hunan’s emergence as an important industrial base, requiring a large and multi-skilled work force. Hunan’s pillar industries include manufacturing, automobile, biotechnology, natural resources and energy, and information technology. The growth rate of the secondary and tertiary sectors in Hunan has been higher than the national average, particularly for the secondary sector, which contributed 56.0% to Hunan’s GDP in 2010. Demand for skilled workers in Hunan exceeded supply in 2011, with manufacturing having the highest demand. Hunan ranks 19th in the PRC in terms of educational attainment, with an average level of educational attainment of 9.1 years. The urbanization level of Hunan was 45.0% in 2011, and is forecast to grow to 66.0% by 2030. Increased industrialization and urbanization, and the subsequent transformation of livelihood bases, will require skilled workers.

Since 2007, Hunan provincial government (HPG) has spearheaded TVET reforms in the province. Investment in TVET development has played an important role in helping disadvantaged people gain new skills and enjoy the growth benefits, as over 80% of students enrolled in Hunan’s TVET institutions are from rural areas or low-income urban families. Despite impressive growth, TVET development in Hunan faces a number of challenges, including (i) limited industry involvement, (ii) lack of accurate and consistently sourced labor market information, (iii) outdated curriculum and teaching and learning materials, (iv) need to upgrade instructional skills and workplace experience of vocational instructors, (v) inadquate TVET institution management capacity to strengthen linkages between schools and industry, and (vi) lack of and/or obsolete equipment to simulate a workplace for practical demonstration and application.

Greater involvement of enterprises in advising and directing the TVET system is critical to increase TVET’s responsiveness to labor market needs. HPG established industry advisory groups (IAGs) as a way to foster greater linkages between TVET institutions and engaging with industry needs to be strengthened. While demand for workers is strong in Hunan and placement rates for graduates are high (over 80% in many TVET institutions), TVET institutions are faced with the challenge of updating their programs to meet the demands of new industries, and upgrading older industries.

Impact
Skilled human resources contribute to inclusive growth and social development in Hunan province

Project Outcome
Description of Outcome
Strengthened capacity of the TVET system to meet labor market needs

Progress Toward Outcome
Since the project effectiveness in November 2013, PMO has undertaken significant work in start-up activities but the implementation progress has been slow due to initial delays in procurement of works and goods and consulting services. As of 4 May 2018, about 58 months of implementation period have elapsed which represents 81% of overall project duration, based on the original completion date. There has been good progress in terms of project implementation since 2016 enacted and facilitated by the three ADB review missions of that year and the project midterm review in October 2017. The project implementation is progressively improving, with increased physical progress on project components of civil works, goods and capacity building of 70%, 60% and 55%, respectively as of 4 May 2018.

Out of total 36 civil works and goods contracts, 30 packages were awarded; out of 9 consulting contracts and 1 partnership agreement there is 1 remaining contract to be advertised.

As of 23 January 2019, the cumulative contract awards have been increased to $39.24 million (78.48%) while cumulative disbursements to $31.14 million (62.28%) which includes the initial payment to the project’s impress account.

Inception mission was fielded on 9-10 January 2014 and review missions on (i) 16-19 September 2014, (ii) 2-7 March 2016, (iii) 27-30 June 2016, (iv) 10-13 October 2016, (v) 16-24 October 2017 (midterm review mission), and (vi) 7-9 May 2018. The next review mission will be fielded by February/March 2019.

Implementation Progress

Status of Implementation Progress (Outputs, Activities, and Issues)
1.1 TVET review committee established.

1.2 Overseas trainings were organized in 2015-2018 on the subjects of logistics, education philosophy and teaching management, education and teaching ability of elite teachers, software technology and research of “Dual system” vocational education personnel training mode in US, Germany, UK, Canada, New Zealand and Singapore. Various domestic trainings or in-campus trainings were organized by the IAs. The HED also organized many capacity building trainings under provincial level capacity building program.

1.3 The recruitment of Package A, B and C started in Q4 2016. All three contracts have been awarded.

1.4 The recruitment of individual specialist (HN-S08, HN-S09 and HN-S10) who are going to work with package A specialists started by the end of June 2016. Contracts for HN-S08 and HN-S10 are signed on 16 June 2017. HN-S08 contract’s TOR incorporated to Package A.

1.5 As of 25 July 2018, for goods procurement, one contract (HN-WL-E03) was awarded in Quarter 3 2015; three contracts (HN-TD-E01, HN-TD-E02, HN-XD-E01) were awarded in Quarter 4 2015; four contracts (HN-WL-E02, HN-QC-E02, HN-YX-E01, HN-ZJ-E01) were awarded in Quarter 2 2016; four contracts (HN-KJ-E01, HN-WL-E01, HN-QC-E01, HN-SM-E01) were awarded in Quarter 4 2016; three contracts (HN-HR-E02, HN-ZJ-E03, HN-QC-E01) were awarded in Quarter 2 2017; one contract (HN-TD-E03) was awarded in Quarter 3 2017; four contracts (HN-TD-E05, HN-KJ-E04, HN-KJ-E05, HN-ED-E04) were awarded in Quarter 4 2017; and two contracts (HN-E04, HN-KJ-E03) were awarded in Quarter 1 2018.

All five civil works contracts (HN-GY-E01, HN-ZX-E01, HN-YY-E02, HN-MZ-C01) were awarded in Quarter 3 2015, Q1 2016, Q1 2017, and Q1 2018, respectively.

3. Hunan Education Department has established the TVET Leaders Group and has already been conducting regular meetings to (a) share progress on implementation of their 5-year plan and activities, (b) discuss capacity building needs, (c) share challenges being faced in implementing curriculum and teacher training programs, and (d) identify strategies for enhancing quality technical support and partnerships with industry.

Package B: International TVET partnership commenced in Q4 2017. For, Package C: 3 Research, the contract was signed on April 17, 2017 and it is expected to be completed by Q4 2018. Package D: LMS consulting firm was contracted on March 31, 2016. Inception report and labor information studies were prepared under the guidance and support from HN-S06 labor market specialist (international) and submitted to PMO. The functional instruction for the LMS is prepared and is going to be improved by HN-S06.

4. Project management support fully established. Consulting firms for Project Management Support and Labor Market Information System as well as Individual Labor Market Specialist and Project and Financial Management Expert were already contracted. Trainings on procurement, financial management, environmental management, DWM and safeguards have been conducted among IA, IAs, contractors and construction supervisors.

Geographical Location
Chengguan, Furong District, Huangxian, Hunan, Shihefeng Qu, Tianxin District, Wangcheng County, Yueyanglou Qu, Yuhua District, Zhuzhou Shi, Xixing Shi, huaxia shi

Safeguard Categories
Environment
B

Involuntary Resettlement
C
Indigenous Peoples

Summary of Environmental and Social Aspects

Environmental Aspects

The project is classified category B for environment. An initial environment examination (IEE) including environmental management plan (EMP) was prepared and was disclosed on the ADB website on 12 February 2013. The IEE complies with ADB’s Safeguard Policy Statement (2009). The IEE concludes that the project’s anticipated environmental impacts can be mitigated through the implementation of the EMP. During the construction of new buildings and facilities on existing school campuses, some environmental impacts are anticipated including noise, fugitive dust, solid wastes, and risks to community and occupational health and safety. Overall, construction-related impacts are localized, short-term, and can be effectively mitigated through the application of good construction practices and the implementation of construction phase community and occupational health and safety plans. During operation, no major environmental impacts are anticipated. The EMP defines mitigation measures, monitoring requirements, and institutional responsibilities to ensure proper environmental management throughout the project construction and operation. Environmental management is supported by loan covenants, and capacity development and institutional strengthening activities under the project. The PMO will establish a grievance redress mechanism and handle any dispute arising from noncompliance with the EMP.

Involuntary Resettlement

The involuntary resettlement category is C. The project activities will neither require land acquisition nor resettlement. Resettlement due diligence was conducted, which confirmed that there are no legacy issues from the time the campuses were established.

Indigenous Peoples

The indigenous peoples’ category is C. No project activities will adversely affect indigenous people. The poverty and social assessment determined that ethnic minority students are well integrated into all the project TVET institutions. Increased quality of TVET as a result of the project will benefit all students, including ethnic minorities.

Stakeholder Communication, Participation, and Consultation

During Project Design

A poverty and social analysis, socioeconomic survey, stakeholder workshops, focus group discussions, and informant interviews were conducted during the PPTA.

During Project Implementation

Project implementation involves multiple government agencies at the provincial, municipal and county level, as well as the 13 project TVET institutions who will be the main implementation agencies. ADB will be responsible for administering the ADB-financed components of the project and jointly with the Hunan Provincial Government/Hunan Education Department to supervise project implementation.

Business Opportunities

Consulting Services

All consultants will be recruited according to ADB’s Guidelines on the Use of Consultants.

Procurement

All procurement of goods and works will be undertaken in accordance with the Asian Development Bank’s (ADB) Procurement Guidelines.

Responsible ADB Officer

Tajima, Eisuke

Responsible ADB Department

East Asia Department

Responsible ADB Division

Urban and Social Sectors Division, EARD

Executing Agencies

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People’s Republic of China

Timetable

Loan 3010-PRC

Milestones

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